HO TACK SIEN & ORS v. ROTTA RESEARCH LABORATORIUM S.p.A & ANOR; REGISTRAR OF TRADE MARKS (INTERVENER) & ANOTHER APPEAL

FEDERAL COURT, PUTRAJAYA
ZULKEFLI AHMAD MAKINUDIN CJ (MALAYA)
RICHARD MALANJUM CJ (SABAH & SARAWAK)
ABDULL HAMID EMBONG FCJ
HASAN LAH FCJ
MOHAMED APANDI ALI FCJ
[CIVIL APPEALS NO: 02-7-03-2013(W) & 02-13-04-2013(W)]
7 APRIL 2015

INTELLECTUAL PROPERTY: *Trade marks – Infringement of registered trade mark and passing off – Allegation of – Role of Registrar in rectification and expungement proceedings – Whether Registrar should be made a party in an application to expunge or rectify register of trade marks – Trade Marks Act 1976, s. 45 – Whether registered proprietor or owner of aggrieved mark proper party to bring an action in court – Whether remedy of removal or expungement of trade mark from Registrar dependent on s. 62(1) of Trade Marks Act 1976 – Whether s. 40(1)(f) Trade Marks Act 1976 afforded a defence in relation to marks wrongfully entered in Register*

The first plaintiff, a company involved in the research and development of various pharmaceutical products, manufactured a glucosamine sulphate based drug called Viartril-S used for the treatment of osteoarthritis, which trade mark was duly registered in Malaysia on 8 July 1976. The second plaintiff was the distributor appointed by the first plaintiff for the sale of Viartril-S in Malaysia. The first defendant was a pharmacist and was first employed by Antar Sri Radin Sdn Bhd, a related company of the second plaintiff on 2 March 1990. On 21 May 2001, the second plaintiff issued a letter of suspension against the first defendant. The first defendant was subsequently found guilty of committing serious breaches of confidentiality of information and for acting in conflict of interest against the second plaintiff and was thus dismissed from employment. The second defendant, the wife of the first defendant, was also a pharmacist and had been engaged by the second plaintiff on a part-time basis to provide independent consultancy services on the registration of the second plaintiff's products. The second defendant's services were also terminated. The third defendant was a company incorporated by the second defendant together with the first defendant's father to deal with pharmaceutical, medicinal and orthopaedic preparations. The third defendant was the registered owner of the Atril-250 trade mark which was registered under the Trade Marks Act 1976 ('the Act') and was the distributor and seller of Atril-250. The fourth defendant was the appointed contract manufacturer of Atril-250 for the second defendant and the fifth defendant was the appointed distributor of Atril-250 produced by the

A third defendant. The sixth defendant, who was incorporated by the second defendant, was the manufacturer of Atril-250 to replace the fourth defendant when the contract of the fourth defendant expired. The plaintiffs contended that all the defendants had infringed their intellectual property on Viartril-S, a product imported and distributed in Malaysia for more than 20 years. B The plaintiffs alleged that the fifth and sixth defendants manufactured, distributed, sold or offered to sell the product under the name of Atril-250. It was similar to and bore colourable and deceptive imitation of the first plaintiff's trade mark and get-up. The plaintiffs filed the suit against the defendants and claimed, *inter alia*, for declaratory reliefs, injunctions and the C name "Advance Pharma" (which was the third defendant) be removed from the Registry of Companies. After a full trial, the High Court held that the plaintiffs had proved their case on a balance of probabilities against the defendants, except for the fourth defendant. Based on the finding that there was confusing similarity between the Viartril-S mark and the Atril-250 mark, the High Court held that there was passing off by the defendants of the D plaintiff's product and consequential to that, the plaintiffs had suffered damage to its goodwill and reputation. The Court of Appeal affirmed the decision of the High Court, but disagreed with the learned judge when he exercised his discretion and allowed the plaintiffs' claim to expunge an existing trade mark registered by the defendants. The Court of Appeal held E that the defendants' product was registrable as a trade mark under s. 10 of the Act. The Court of Appeal was also of the view that the High Court ought to have received the evidence of the Registrar before exercising his discretion to order the expungement of the defendants' trade mark based on s. 62 of the Act. There were thus two appeal cases before this court. Leave was obtained F by the parties herein to appeal to the Federal Court against the decision of the Court of Appeal. The questions of law posed in respect of the two appeals herein were (i) whether the evidence of the Registrar of Trade Marks who had approved the registration of the defendant's mark after the commencement of the plaintiff's infringement suit was material to proving G trade mark infringement, in that the Registrar of Trade Marks was the key witness to establishing likelihood of confusion (first question posed by the defendants in the first appeal) and (ii) whether it was a pre-requisite to name the Registrar of Trade Marks as a party in a writ of statement of claim in an application to expunge or rectify the Register of Trade Marks Act 1976 (second question posed by the plaintiffs in the second appeal).

H

Held (allowing plaintiffs' appeal with costs; dismissing defendants' appeal with costs)

Per Zulkefli Ahmad Makinudin CJ (Malaya) delivering the judgment of the court:

I **(1)** The present two appeals raised the issue of the proper role of the Registrar in rectification and expungement proceedings under s. 45 of the Act. There was no necessity to bring in the Registrar as a party to the suit where there was no cause of action against the Registrar. The

Registrar has the right to appear if he deemed fit or if the court required his assistance in the determination of issues before the court relating to his scope and functions and duties. There were no statutory provisions which required the Registrar to be made a party to a rectification and expungement proceeding under the Act. Section 45 is silent on this. (para 24)

(2) Neither the court nor the Registrar had the discretion to allow a mark that had been wrongfully registered to continue to remain on the Register. Once the grounds for revocation or removal of a mark had been made out, the mark must be removed or expunged from the Register. It was not the duty of the Registrar to refer any matter to the court. If there was a dispute as to identical marks, then it was for the registered proprietor or owner of the aggrieved mark to bring an action in court to resolve the dispute. (para 25)

(3) The remedy of removal or expungement of a trade mark from the Register was not dependent on s. 62(1) of the Act. Section 62(1) accords the right to the court to call the Registrar if the court so required his assistance and further gave the Registrar a right to appear if he wished to do so. Section 62(2) of the Act further provides that unless otherwise directed by the Court, the Registrar in *lieu* of appearing and being heard, may submit to the court a statement in writing signed by him and such statement shall be deemed to form part of the evidence in court. Therefore, s. 62 of the Act clearly could not be read to mean that the Registrar ought to be made a party to the action. (para 26)

(4) The decision of the Court of Appeal to hold that the Registrar should be made a party or heard in evidence before a rectification could be made was not in accord with the statutory provisions under the Act or its Regulations. Such an approach adopted by the Court of Appeal would place the Registrar in an invidious position of participating in the proceedings in favour of one side or the other, and would destroy the neutrality of his office. (paras 28 & 29)

(5) Although the Court of Appeal agreed with the High Court on deception and that the defendants' mark was confusingly similar to the plaintiffs' mark, it withheld sanctioning the expungement of the offending mark. The Court of Appeal had wrongly relied on s. 40(1)(f) of the Act which only applies to a right to use a mark that has been duly registered under the Act. On the correct interpretation of s. 40(1)(f) of the Act, the case *Sinma Medical Products v. Yomeishu* had rightly held that s. 40(1)(f) of the Act did not afford a defence in relation to marks which were wrongfully entered on the Register. (paras 34, 38, 40 & 42)

(6) The first question posed by the defendants in the first appeal was answered in the negative. As for the second question posed by the plaintiffs in the second appeal, it was also answered in the negative.

Hence, the order of the Court of Appeal that the defendants' product was registrable as a trade mark under s. 10 of the Act was set aside. (paras 46)

Bahasa Malaysia *Translation Of Headnotes*

Plaintif pertama, sebuah syarikat yang terlibat dengan penyelidikan dan pembangunan pelbagai produk farmaseutikal, menghasilkan produk ubat berasaskan glucosamine sulfat iaitu Viartril-S yang digunakan bagi merawat penyakit osteoarthritis, di mana cap dagangannya didaftarkan di Malaysia pada 8 Julai 1976. Plaintif kedua adalah pengedar yang dilantik oleh plaintif pertama untuk jualan Viartril-S di Malaysia. Defendan pertama adalah seorang ahli farmasi dan telah bekerja untuk Antar Sri Radin Sdn Bhd, sebuah syarikat yang mempunyai kaitan dengan plaintif kedua pada 2 Mac 1990. Pada 21 Mei 2001, plaintif kedua telah mengeluarkan surat penggantungan terhadap defendan pertama. Defendan pertama kemudiannya telah didapati bersalah melakukan pelanggaran serius kerahsiaan maklumat serta telah bertindak dalam konflik kepentingan terhadap plaintif kedua dan dengan itu telah dibuang kerja. Defendan kedua, isteri kepada defendan pertama, adalah juga seorang ahli farmasi dan telah dilantik oleh plaintif kedua untuk bertugas sebagai pekerja sambilan bagi menyediakan perkhidmatan perundingan bebas untuk pendaftaran produk-produk plaintif kedua. Perkhidmatan defendan kedua juga telah dibatalkan. Defendan ketiga adalah syarikat yang ditubuhkan oleh defendan kedua bersama-sama dengan bapa kepada defendan pertama untuk menangani dengan penyediaan-penyediaan farmaseutikal, perubatan dan ortopedik. Defendan ketiga adalah pemilik berdaftar untuk cap dagangan Atril-250 yang telah didaftarkan di bawah Akta Cap Dagangan 1976 ('Akta') dan adalah pengedar dan penjual Atril-250. Defendan keempat adalah pengilang kontrak yang ditetapkan bagi Atril-250 yang telah dihasilkan oleh defendan ketiga. Defendan keenam, yang telah ditubuhkan oleh defendan kedua, adalah pengeluar Atril-250 sebagai pengganti defendan keempat apabila kontrak defendan keempat telah luput. Plaintif-plaintif menghujahkan bahawa semua defendan-defendan telah melanggar harta intelektual mereka berkenaan Viartril-S, sebuah produk yang telah diimport dan diedarkan di Malaysia untuk lebih daripada 20 tahun. Plaintif-plaintif mendakwa bahawa defendan kelima dan keenam telah menghasilkan, mengedar, menjual dan menawarkan untuk menjual produk di bawah nama Atril-250. Ia adalah sama dan melahirkan tiruan serupa dan meniru cap dagangan plaintif pertama. Plaintif-plaintif memfailkan guaman terhadap defendan-defendan dan mendakwa, antara lain, untuk pengisytiharan relif, injunksi dan untuk nama "Advance Pharma" (iaitu defendan ketiga) disingkirkan daripada Pendaftaran Syarikat. Selepas perbicaraan penuh, Mahkamah Tinggi memutuskan bahawa plaintif-plaintif telah membuktikan kes mereka atas imbangan kebarangkalian terhadap defendan-defendan, kecuali defendan keempat. Berdasarkan dapatan bahawa terdapat persamaan yang mengelirukan di antara cop Viartril-S dan cop Atril-250, Mahkamah Tinggi memutuskan bahawa terdapat kelirupaan oleh

defendan-defendan berkenaan produk plaintif dan berbangkit daripada itu, plaintif-plaintif telah mengalami kerugian kepada nama baik dan reputasinya. Mahkamah Rayuan mengesahkan keputusan Mahkamah Tinggi, tetapi tidak bersetuju dengan hakim bicara apabila beliau melaksanakan budi bicaranya dan membenarkan tuntutan plaintif untuk memadamkan sesuatu cop dagangan yang telah wujud dan didaftarkan oleh defendan-defendan. Mahkamah Rayuan memutuskan bahawa produk defendan-defendan boleh didaftarkan sebagai cop dagangan di bawah s. 10 Akta. Mahkamah Rayuan juga berpandangan bahawa Mahkamah Tinggi harus menerima keterangan Pendaftar sebelum melaksanakan budi bicaranya untuk memerintahkan pemadaman cop dagangan defendan-defendan berdasarkan s. 62 Akta. Terdapat dua kes rayuan di hadapan mahkamah ini. Kebenaran diperolehi oleh pihak-pihak yang terlibat di sini untuk merayu kepada Mahkamah Persekutuan terhadap keputusan Mahkamah Rayuan. Persoalan undang-undang yang dikemukakan berkenaan kedua-dua rayuan ini adalah (i) sama ada keterangan Pendaftar Cop Dagang yang telah meluluskan pendaftaran cop selepas permulaan saman pelanggaran adalah penting untuk membuktikan pelanggaran cop dagangan, di mana Pendaftar Cop Dagang adalah saksi utama bagi membuktikan kemungkinan kekeliruan (soalan pertama yang telah ditimbulkan oleh defendan-defendan dalam rayuan pertama) dan (ii) sama ada ia adalah satu pra-syarat untuk menamakan Pendaftar Cop Dagang sebagai pihak dalam writ pernyataan tuntutan dalam permohonan memadam atau memperbetulkan Pendaftaran Akta Cop Dagangan 1976 (soalan kedua yang dibangkitkan oleh plaintif-plaintif dalam rayuan kedua).

Diputuskan (membenarkan rayuan plaintif dengan kos; menolak rayuan defendan dengan kos)

Oleh Zulkefli Ahmad Makinudin HB (Malaya) menyampaikan penghakiman mahkamah:

(1) Kedua-dua rayuan ini membangkitkan isu peranan yang sepatutnya dimainkan oleh seorang Pendaftar dalam prosiding pembetulan dan pemadaman di bawah s. 45 Akta. Tiada keperluan untuk menjadikan Pendaftar sebagai pihak dalam guaman di mana tiada kausa tindakan terhadap Pendaftar. Pendaftar mempunyai hak untuk menghadirkan diri jika dia mendapati adalah sesuai atau jika mahkamah memerlukan pertolongannya dalam menentukan isu-isu di hadapan mahkamah yang berhubungan dengan skop, fungsi-fungsi dan tugas-tugasnya. Tiada peruntukan berkanun yang memerlukan Pendaftar dijadikan pihak kepada prosiding pembetulan dan pemadaman di bawah Akta. Seksyen 45 adalah senyap tentang hal ini.

(2) Mahkamah dan Pendaftar tidak mempunyai budi bicara untuk membenarkan sesuatu cop yang telah dengan salahnya didaftarkan kekal dalam Daftar. Sebaik sahaja alasan untuk pembatalan atau pemadaman cop dibuat, cop tersebut harus dibuang atau dipadamkan daripada

Daftar. Ia bukan tanggungjawab Pendaftar untuk merujuk apa-apa perkara kepada mahkamah. Jika terdapat pertikaian berkenaan cop-cop yang serupa, ia adalah untuk tuan punya berdaftar atau pemilik cop yang terkilan untuk membawa tindakan ke mahkamah bagi menyelesaikan pertikaian.

(3) Remedi pembatalan atau pemadaman cop dagangan daripada Daftar tidak bergantung kepada s. 62(1) Akta. Seksyen 62(1) memberi hak kepada mahkamah untuk memanggil Pendaftar jika mahkamah memerlukan pertolongannya dan seterusnya memberikan Pendaftar hak untuk menghadirkan diri jika dia ingin berbuat demikian. Seksyen 62(2) Akta juga menyediakan bahawa melainkan jika diarahkan oleh mahkamah, Pendaftar selain daripada menghadirkan diri untuk didengar, boleh mengemukakan kepada mahkamah pernyataan bertulis yang ditandatangani olehnya dan pernyataan tersebut hendaklah disifatkan menjadi sebahagian daripada keterangan di mahkamah. Oleh itu, s. 62 Akta dengan jelasnya tidak boleh dibaca untuk bermaksud bahawa Pendaftar harus dijadikan pihak kepada guaman.

(4) Keputusan Mahkamah Rayuan yang memutuskan bahawa Pendaftar harus dijadikan pihak atau didengar dalam keterangan sebelum pembetulan boleh dibuat tidak selaras dengan peruntukan berkanun di bawah Akta atau peraturan-peraturannya. Pendekatan yang diambil oleh Mahkamah Rayuan akan meletakkan Pendaftar dalam kedudukan yang tidak menyenangkan apabila mengambil bahagian dalam prosiding yang perlu berpihak kepada satu pihak atau yang lain, dan akan menjejaskan keneutralan jawatannya.

(5) Walaupun Mahkamah Rayuan bersetuju dengan Mahkamah Tinggi berkenaan perdayaan yang telah berlaku dan bahawa cop defendan adalah mengelirukan kerana ia mempunyai persamaan dengan cop plaintif, ia tidak memberikan kebenaran pemadaman cop yang menyinggung tersebut. Mahkamah Rayuan telah secara salah bergantung kepada s. 40(1)(f) Akta yang hanya diguna pakai kepada hak menggunakan cop yang telah didaftarkan di bawah Akta. Atas tafsiran tepat s. 40(1)(f) Akta, kes *Sinma Medical Products v. Yomeishu* telah dengan betul memutuskan bahawa s. 40(1)(f) Akta tidak menyediakan pembelaan berhubungan dengan cop-cop yang telah dimasukkan ke dalam Daftar secara salah.

(6) Soalan pertama yang dibangkitkan oleh defendan-defendan dalam rayuan pertama dijawab dengan negatif. Bagi soalan kedua yang dibangkitkan oleh plaintif-plaintif dalam rayuan kedua pula, ia juga dijawab dengan negatif. Oleh itu, perintah Mahkamah Rayuan bahawa produk defendan boleh didaftarkan sebagai cop dagangan di bawah s. 10 Akta adalah diketepikan.

Case(s) referred to:

AG Varadarajulu v. State of Tamil Nadu AIR 1998 SC 1388 ***(refd)***
Bacardi [1965] RPC 28 ***(refd)***
Berlei (UK) Ltd v. Bali Brassiere Company Incorporated [1970] RPC 469 ***(refd)***
Chandra Bhan Agarwal & Anor v. Arjundas Agarwal & Others AIR [1979] Cal 280 ***(refd)***
Godrej Sara Lee Ltd v. Siah Teong Teck & Anor [2007] 10 CLJ 255 CA ***(refd)***
In the matter of Dunn's Trade Mark (1890) 7 RPC 311 ***(refd)***
Industria De Diseno Textil SA v. Edition Concept Sdn Bhd [2005] 2 CLJ 357 HC ***(refd)***
Meidi-Ya Co Ltd, Japan & Anor v. Meidi (M) Sdn Bhd [2009] 2 CLJ 15 FC ***(refd)***
Parker-Knoll Ltd v. Knoll International Ltd [1962] RPC 265 ***(refd)***
Phantom Trade Mark [1978] RPC 245 ***(refd)***
Sinma Medical Products (M) Sdn Bhd v. Yomeishu Seizo Co Ltd & Ors [2004] 3 CLJ 815 ***(refd)***
The Eastman Photographic Materials Company, Ltd & Anor v. The John Griffiths Cycle Corporation, Ltd and the Kodak Cycle Company, Ltd (1898) 5 RPC 105 ***(refd)***
The Shell Company of Australia Limited v. Rohm & Haas Company & Anor [1949] 78 CLR 601 ***(refd)***

Legislation referred to:

Courts of Judicature Act 1964, s. 96(a)
Trade Marks Act 1976, ss. 4, 14(1)(a), 10(1), 19(3), 28, 35(1), 37(a), 40(1)(f), 45(1)(a), 62(1), (2), 73(1)
Trade Marks Regulations 1997, reg. 26

Trade Marks Act 1938 [UK], ss. 4(1), (4), 50(1)
Trade Marks Act 1955 [Aus], ss. 22(5), 71(3)
Trade Marks Act 1958 [Ind], s. 112

Other source(s) referred to:

Kerly's Trade Marks and Trade Names, 12th edn, pp 207 & 303

(Civil Appeal No. 02-7-03-2013(W))
For the 1st - 4th appellants - Gopal Sri Ram (Harpal Singh Grewal, CK Lim, Hoo Lin Coln & Reny Rao with him); M/s Lin Coln & Co
For the 1st & 2nd respondents - Cyrus Das (Suaran Singh & Irene Kam with him); M/s Suaran & Sankey
For the intervener - Mohd Hafrizam Harun (Wan Azmir Wan Majid, Choo Shi Jin & Nor Hazira Abu Haiyan with him); M/s Hafarizam Wan & Aisha Mubarak

(Civil Appeal No. 02-13-04-2013(W))
For the 1st & 2nd appellants - Cyrus Das (Suaran Singh & Irene Kam with him); M/s Suaran & Sankey
For the 1st - 4th respondents - Gopal Sri Ram (Harpal Singh Grewal, CK Lim, Hoo Lin Coln & Reny Rao with him); M/s Lin Coln & Co
For the 5th respondents - Annou Xavier; M/s Azri, Lee Swee Seng & Co
For the intervener - Mohd Hafrizam Harun (Wan Azmir Wan Majid, Choo Shi Jin & Nor Hazira Abu Haiyan with him); M/s Hafarizam Wan & Aisha Mubarak

Reported by Suhainah Wahiduddin

A

JUDGMENT

Zulkefli Ahmad Makinudin CJ (Malaya):

Introduction

[1] These are two appeal cases before this court. We heard them jointly. B In the first case Civil Appeal No. 02-7-03-2013(W) the appellants are the defendants and in the second case Civil Appeal No. 02-13-04-2013(W) the appellants are the plaintiffs before the High Court. We shall refer to the parties as they were before the High Court. The appellants in both cases have obtained leave to appeal to the Federal Court against the decision of the C Court of Appeal. On 11 February 2014 the Federal Court allowed the application by the Registrar of Trade Marks ("the Registrar") to intervene in these two appeals. The two questions of law posed to us in respect of the two appeals are as follows:

(1) Whether the evidence of the Registrar of Trade Marks who had D approved the registration of the defendant's mark after the commencement of the plaintiff's infringement suit is material to proving trade mark infringement, in that the Registrar of Trade Marks is the key witness to establishing likelihood of confusion.

(2) Whether it is a pre-requisite to name the Registrar of Trade Marks E or the Intellectual Property Corporation of Malaysia (MYIPO) as a party in a Writ or Statement of Claim in an application to expunge or rectify the Register of Trade Marks Act 1976; and if the answer is in the affirmative, whether the several decisions by the High Court ordering the expungement/rectification of the Register of Trade Marks without insisting on the Registrar of Trade Marks or F MYIPO to be named a party in the suits are now bad in law (some of these cases are *Regent Pumps Pty Ltd & Anor. v. Keylargo Industrial Sdn Bhd* [2009] 2 CLJ 303 and *Godrej Sara Lee v. Siah Teck & Anor (No. 2)* [2008] 7 CLJ 24).

The first question is posed by the defendants in the first appeal and the second G question is posed by the plaintiffs in the second appeal.

Background Facts

[2] The relevant background facts of the case may be summarised as follows:

H (a) The first plaintiff is a company incorporated in Italy and is involved in the research, development and manufacturing of various pharmaceutical products. One of the products manufactured by the first plaintiff is a glucosamine sulphate based drug call Viartril-S used for the treatment of osteoarthritis.

I (b) The first plaintiff's Viartril-S trade mark was duly registered in Malaysia in class 5 on 8 July 1976. The first plaintiff is the holder of the product license for Viartril-S issued by the National Pharmaceutical Control

Laboratory under the Ministry of Health, Malaysia. The product Viartril-S was registered with the Drug Control Authority ('DCA'), Ministry of Health on 12 July 1991.

(c) The second plaintiff is a company incorporated in Malaysia and has been the distributor appointed by the first plaintiff for the sale of Viartril-S in Malaysia based on a distribution agreement dated 15 May 1979.

(d) The first defendant (Ho Tack Sien) is a pharmacist and was first employed by Antar Sri Radin Sdn Bhd, a related company of the second plaintiff on 2 March 1990. Until his dismissal by the second plaintiff on 6 June 2001, the first defendant had held the positions of sales executive cum pharmacist, product executive cum pharmacist, product manager and group product manager.

(e) On 21 May 2001 the second plaintiff issued a letter of suspension against the first defendant. The first defendant was required to attend a domestic inquiry on 28 May 2001 for serious breaches of confidentiality of information and for acting in conflict of interest against the second plaintiff. The first defendant was found guilty of the charges and he was dismissed from his employment.

(f) The second defendant (Chai Yuet Ying), the wife of the first defendant, is the third party in the suit having been added as a third party by the fourth defendant. The second defendant is also a pharmacist and was engaged by the second plaintiff on 15 April 1998 on a part-time basis to provide independent consultancy services on the registration of the second plaintiff's products with the DCA. On 21 May 2001 the second defendant's services were terminated by the second plaintiff.

(g) The third defendant (Advance Pharma Sdn Bhd) is a company incorporated by the second defendant together with the first defendant's father on 21 February 2001 with a paid up capital of RM50,000. The object of the third defendant company is to carry on business of chemists, druggists, pharmacists and dealers in all pharmaceutical, medicinal and orthopedic preparations. The third defendant is the registered owner of the Atril-250 trade mark which was registered under the Trade Marks Act 1976 ("the Act") on 10 September 2002 and is the distributor and seller of Atril-250.

(h) The fourth defendant (Hovid Sdn Bhd) was the appointed contract manufacturer of Atril-250 for the second defendant.

(i) The fifth defendant (Schmidt Biomedtech Sdn Bhd) was and is the appointed distributor of Atril-250 produced by the third defendant.

(j) The sixth defendant (AV Manufacturing Sdn Bhd) was and is appointed manufacturer of Atril-250 to replace the fourth defendant when the contract of the fourth defendant expired. The sixth defendant was incorporated by the second defendant.

(k) The plaintiffs contended that all the defendants had infringed their intellectual property on Viartril-S, a product imported and distributed in Malaysia for more than 20 years. The plaintiffs alleged that the fifth and sixth defendants manufactured, distributed, sold or offered to sell the product under the name of Atril-250. It is similar to and bears a colourable and deceptive imitation of the first plaintiff's trademark and get-up.

Findings Of The High Court

[3] The plaintiffs filed the suit against the defendants and claimed *inter alia*, for declaratory reliefs, injunctions and the name "Advance Pharma" be removed from the Registry of Companies. After a full trial, the High Court held that the plaintiffs had proven their case on a balance of probabilities against the first, second, third, fifth and sixth defendants and accordingly entered judgment against these defendants together with interests and costs. However, the High Court dismissed the plaintiffs' claim against the fourth defendant. The third party claim against the second defendant by the fourth defendant was also struck off with no order as to costs. The defendants' counterclaim against the plaintiffs was also dismissed with costs.

[4] In his judgment, the learned judge of the High Court found that there was confusing similarity between Viartril-S mark and the Atril-250 mark after comparing them phonetically and visually. Based on such finding of facts, the learned judge held that there was passing off by the defendants of the plaintiffs' product as the plaintiffs had successfully established the necessary criteria for passing off in relation to the plaintiffs' goodwill and reputation in the trade mark. There was also misrepresentation by the defendants and consequential to that the plaintiffs had suffered damage to its goodwill and reputation.

[5] The learned judge also found that the first and second defendants were not credible witnesses and based on the evidence during the trial, the judge held that the first and second defendants had breached their obligation of confidentiality. Further, the judge found that there was unauthorised use of confidential information by the first and second defendants.

Findings Of The Court Of Appeal

[6] The Court of Appeal affirmed the orders of the High Court save and except to set aside the prayers contained in paras (k), (l) and (m) of the orders of the High Court.

[7] The Court of Appeal affirmed the decision of the learned judge of the High Court based on his findings of facts. However, the Court of Appeal disagreed with the learned judge when he exercised his discretion and allowed the plaintiffs' claim to expunge an existing trade mark registered by the defendants. The Court of Appeal was of the view that the defendants' product was registrable as a trade mark under s. 10 of the Act. The Act does not prohibit the registration of two or more trade marks which are identical or so nearly resembling each other.

[8] The Court of Appeal made reference to s. 19(3) of the Act and held that it was the discretion of the Registrar to refuse registration. Since the Registrar proceeded with the registration, the registration was *prima facie* evidence of the validity of the defendants' trade mark. The Court of Appeal also observed that the plaintiffs took no steps under s. 28 of the Act to oppose the registration. Further, the Court of Appeal was of the view that the High Court ought to have received the evidence of the Registrar before exercising his discretion to order the expungement of the defendants' trade mark based on s. 62 of the Act.

Submissions Of The Defendants

[9] Learned counsel for the respective defendants submitted that under s. 4 of the Act the power to superintend all matters relating to trade marks is vested with the Registrar. The principal functions of the Registrar as provided for under the Act and its Regulations includes giving preliminary advice to a person who proposes to apply for the registration of a trade mark. Section 73(1) of the Act provides as follows.

> The power to give a person who proposes to apply for the registration of a trade mark in the Register advice as to whether the trade mark appears to the Registrar *prima facie* to be capable of distinguishing shall be a function of the Registrar under this Act.

Regulation 26 of the Trade Marks Regulations 1997 provides as follows:

> After a search conducted as provided for in regulation 25, and after consideration of the application and of any evidence of use or distinctiveness or any other matter which the applicant may, or may be required to furnish, the Registrar may accept the application absolutely, or he may object to it, or he may express his willingness to accept it subject to such conditions, amendments, modifications, or limitations as he may think right to impose.

[10] It was the defendants' contention that in an application for the registration of a trade mark, the onus of proving that the mark is not calculated to deceive or cause confusion lies on the applicant. (See *In the matter of Dunn's Trade Mark* (1890) 7 RPC 311). In the instant case it was contended that the third defendant had discharged that burden of proof. It was not disputed by the plaintiffs that the application to register "Atril-250"

as a trade mark was approved after the commencement of the suit. The successful registration of "Atril-250" evinced that the mark was not deceptively similar or likely to cause confusion when compared with the first plaintiff's mark "Viatril-S".

[11] It was further contended for the defendants that the Registrar is entitled to be heard in any legal proceedings relating to the trade marks registered on the Trade Marks Register ("the Register"). Section 62 of the Act provides as follows:

> (1) In any legal proceedings in which the relief sought includes alteration or rectification of the Register, the Registrar shall have the right to appear and be heard, and shall appear if so directed by the Court.
>
> (2) Unless otherwise directed by the Court, the Registrar, *in lieu* of appearing and being heard, may submit to the Court a statement in writing signed by him, giving particulars of the proceedings before him in relation of the matter in issue or of the grounds of any decision given by him affecting the same or of the practice of the office in like cases, or of such other matters relevant to the issues, and within his knowledge as Registrar, as he thinks fit, and such statement shall be deemed to form part of that evidence in the proceedings.

[12] It was submitted for the defendants that the plaintiffs' failure to call the Registrar to give evidence during the trial was fatal to the plaintiffs' case. This is because the power of the court to rectify or alter the Register is subject to the provisions of the Act. Thus, the right of the Registrar to be heard must be read into it. The Registrar is a key witness in the instant case, in particular, having regard the fact that his decision to allow the registration of "Atril-250" as a trade mark was made after the commencement of the suit. The plaintiffs' claim on passing off should not succeed. It depended on the proof of likelihood of confusion.

[13] It was the defendants' case that by not calling the Registrar to give evidence at the trial of the suit, the plaintiffs must be taken to have admitted or conceded to the decision of the Registrar in approving the registration of "Atril-250" as a trade mark. A proposed trade mark cannot be registered unless it contains or consists of at least one of the particulars set out in s. 10(1) of the Act which provides as follows:

> (a) The name of an individual, company or firm represented in a special or particular manner;
>
> (b) The signature of the applicant for registration or of some predecessor in his business;
>
> (c) an invented word or words;

(d) A word having no direct reference to the character or quality of the goods or services not being, according to its ordinary meaning, a geographical name or surname; or

(e) any other distinctive mark.

[14] Learned counsel for the defendants also made an attempt before us to challenge the findings of facts. They were made by the trial judge and affirmed by the Court of Appeal. They were in respect of the infringement of the plaintiffs' trade mark and the passing off by the defendants of the plaintiffs' product. It was impressed upon us to exercise our appellate powers to interfere with the findings of the trial judge on the ground that there had been non-consideration or insufficient judicial appreciation of material evidence and that the findings of the trial judge did not accord well with the probabilities of the case.

Submissions Of The Plaintiffs

[15] In reply, learned counsel for the plaintiffs submitted that there is no need to bring the Registrar as a party to the suit when there is no cause of action against the Registrar. The Registrar has a right to appear if he deems fit or if the court requires his assistance.

[16] It was contended for the plaintiffs that the court has the power to expunge any mark that has been wrongfully registered or wrongly remaining on the Register. Once the grounds for revocation or removal of a mark have been made out, the mark must be removed or expunged from the Register.

[17] For the plaintiffs it was also argued that it is not for the Registrar to refer any matter to the court. If there is a dispute as to identical marks, then it is for the registered proprietor or owner of the aggrieved mark to bring an action in court to resolve such dispute.

[18] The Court of Appeal made a finding that if the Registrar has allowed the registration of two marks that are substantially identical, it then affords a defence to the subsequent registered mark (concurrent marks). On this point it was the plaintiffs' contention that this is only a defence if the concurrent mark was properly registered in the first place. Registration is not a defence in relation to marks that have been wrongfully entered on to the Register. It is the plaintiffs' case that a mark which is likely to deceive or cause confusion is a mark that should never have been and ought not to be registered in the first place. Once this finding has been made that mark ought to be removed or expunged from the Register.

[19] As regards the defendants' attempt to be allowed to challenge the findings of fact made by the trial judge in respect of the infringement of the plaintiffs' trade mark and the passing off by the defendants of the plaintiffs' product, learned counsel for the plaintiffs submitted that this court should not allow the defendants to do so. The parties should only confine their argument

to the two questions of law posed before this court. Moreover it was impressed upon us that there were concurrent findings on those issues by the High Court and by the Court of Appeal. The findings of the trial judge on those issues were made after a first hand evaluation of the evidence of all the witnesses and other evidence related to the case. Therefore such findings should not be interfered with by an appellate court.

Submissions Of The Intervener

[20] Learned counsel for the Registrar submitted before us that he was adopting and supporting the arguments advanced by the plaintiffs. The Registrar took the position that there was no duty or obligation for the Registrar to appear in any proceeding brought by any aggrieved party. The role of the Registrar is administrative and quasi-judicial in nature. Learned counsel also submitted that the Registrar is now before this court as the intervener merely to clarify and state its stand in view of the decision of the Court of Appeal in ruling that the High Court ought to have received the evidence of the Registrar before exercising his discretion to order the expungement of the defendants' trade mark based on s. 62 of the Act.

Decision

[21] At the outset we shall deal with the submissions of learned counsel for the defendants that the defendants be allowed to argue and challenge on the findings of fact made by the trial judge in respect of the infringement of the plaintiffs' trade mark and the passing off by the defendants of the plaintiffs' product. With respect we do not think it should be allowed. The High Court made findings of facts on those issues and affirmed by the Court of Appeal.

[22] The submissions advanced by learned counsel for the defendants in support of those issues are in effect seeking a reversal of the findings of facts in this case on the infringement of the trade mark by the defendants with the resultant consequential orders. In our view this would result in a complete re-hearing of the appeal on those issues and would be a complete disregard to the provision of s. 96(a) of the Court of Judicature Act 1964 when leave to appeal to this court was granted. The two questions posed before this court when leave was granted have been couched to incorporate a point of law which if answered in the affirmative or negative has the effect of reversing the conclusions made by the Court of Appeal without any further evaluation of the evidence. It is the answers to those questions which must have the effect of reversing the conclusions made by the Court of Appeal and not the result of a review of the concurrent findings of facts made earlier on. The questions posed must also relate to a matter in respect of which a determination has been made by the Court of Appeal. (See the case of *Meidi-Ya Co Ltd, Japan & Anor v. Meidi (M) Sdn Bhd* [2009] 2 CLJ 15; [2009] 2 MLJ 14). We therefore rule that the defendants should only be allowed to confine their arguments on the two questions of law posed before this court.

[23] We shall now deal with the two questions of law posed before this court. The present two appeals raised the issue of the proper role of the Registrar in rectification and expungement proceedings under s. 45 of the Act. Section 45 of the Act provides as follows:

> Subject to the provisions of this Act:
>
> (a) the Court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the Register, or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as it thinks fit;
>
> (b) the Court may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the Register;
>
> (c) in case of fraud in the registration, assignment or transmission of a registered trade mark or if in his opinion it is in the public interest to do so, the Registrar may himself apply to the Court under this section;
>
> (d) an order of the Court rectifying the Register shall direct that notice of the rectification be served on the Registrar in the prescribed manner and the Registrar shall upon receipt of the notice rectify the Register accordingly.

[24] We are of the view there is no necessity to bring in the Registrar as a party to the suit where there is no cause of action against the Registrar. The Registrar has the right to appear if he deems fit or if the court requires his assistance in the determination of issues before the court relating to his scope of functions and duties. There are no statutory provisions which require the Registrar to be made a party to a rectification and expungement proceedings under the Act. Section 45 of the Act is silent on this.

[25] We are of the view that neither the court nor the Registrar has the discretion to allow a mark that has been wrongfully registered to continue to remain on the Register. Once the grounds for revocation or removal of a mark have been made out, the mark must be removed or expunged from the Register. It is not the duty of the Registrar to refer any matter to the court. If there is a dispute as to identical marks, then it is for the registered proprietor or owner of the aggrieved mark to bring an action in court to resolve the dispute.

[26] The defendants relied heavily on the Court of Appeal's decision that under s. 62(1) of the Act the Registrar should have been made a party or at the very least summoned to give evidence to the Court. With respect, we are of the view the remedy of removal or expungement of a trade mark from the

Register is not dependent on s. 62(1) of the Act. Section 62(1) of the Act accords the right to the court to call the Registrar if the court so requires his assistance and further gives the Registrar a right to appear if he wishes to do so. It should also be noted that s. 62(2) of the Act further provides that unless otherwise directed by the court, the Registrar, in lieu of appearing and being heard, may submit to the court a statement in writing signed by him and such statement shall be deemed to form part of the evidence in court. On this point reference can be made to the case of *Godrej Sara Lee Ltd v. Siah Teong Teck & Anor* [2007] 10 CLJ 255 wherein Ramly Ali J (as he then was) expressed the view that this provision allows the Registrar to appear in court if the Registrar chooses to do so and he shall appear if the court so directs him. The learned judge was also of the view that s. 62(2) of the Act further illustrates that the Registrar's appearance in court is merely to assist the court whenever such assistance is required. Therefore, s. 62 of the Act clearly cannot be read to mean that the Registrar ought to be made a party to the action.

[27] On the contention of the defendants and in support of the findings of the Court of Appeal that once a mark is registered by the Registrar, it is *prima facie* a valid trade mark, we are of the view that this is a rebuttable presumption. Once evidence is shown that the registered mark is invalid and should not have been registered in the first place the natural remedy would be to remove the invalid mark from the Register. Registration is therefore not a defence in relation to marks that have been wrongfully entered on to the Register. On this point we would refer to the case of *Industria De Diseno Textil SA v. Edition Concept Sdn Bhd* [2005] 2 CLJ 357 where it was held that even where a trade mark has been properly registered, s. 45(1)(a) of the Act empowers the court to expunge or vary such a trade mark in the event that it becomes confusing as a result of events subsequent to the initial registration.

[28] We are of the view that the decision of the Court of Appeal to hold that the Registrar should be made a party or heard in evidence before a rectification could be made, was not, with respect, in accord with the statutory provisions under the Act or its Regulations. Such an approach adopted by the Court of Appeal would place the Registrar in an invidious position of participating in the proceedings in favour of one side or the other, and would destroy the neutrality of his office.

[29] Further, we are of the view that even if the Registrar gives evidence, the determination of whether there is likelihood of confusion still lies with the court. The question of whether there is a real likelihood of deception of the public is ultimately one for the court to decide as aptly put by Lord Hodson in the case of *Parker-Knoll Limited v. Knoll International Limited* [1962] RPC 265 (HC) at p. 285 as follows:

> All relevant circumstances must be taken into account, and the question whether or not there is a real likelihood of deception of the public is ultimately for the court and not for the witnesses to decide: see *Spalding*

> *& Bros. v. Gamage Ltd.* (1915) 32 R.P.C. 286 per Lord Parker of Waddington: There may, of course, be cases of so doubtful a nature that a judge cannot properly come to a conclusion without evidence directed to the point; but there can be no doubt that in a passing-off action the question whether the matter complained of its calculated to deceive, in other words, whether it amounts to a misrepresentation, is a matter for the judge, who looking at the documents and evidence before him, comes to his own conclusion, and to use the words of Lord Macnaghten in *Payton & Co. Ltd. v. Snelling, Lampard & Co. Ltd.* (1990) 17 R.P.C. 635, must not surrender his own independent judgment to any witness whatever. (emphasis added)

[30] It is to be noted that the position as regards the Registrar's participation in the infringement of trade marks proceedings is the same as in the United Kingdom ("UK"), Australia and India where there are trade mark legislations similar to ours. A reference to *Kerly's Trade Marks and Trade Names*, 12th edn, at p. 207 shows that in UK under s. 50(1) of the English Trade Marks Act, 1938 (which is *in pari materia* with s. 62(1) of the Act) the Registrar's attendance in court is not necessary unless so ordered by the court.

[31] In *Bacardi* [1965] RPC 28, the applicant for rectification proceedings asked that pursuant to s. 50(1) of the English Trade Marks Act 1938, the Registrar should be directed to appear so that they could obtain discovery against him to ascertain who had induced the Registrar to make alterations to the Register. The English High Court held that the Registrar should enter appearance. The Registrar appeared to give discovery but stated through the Treasury Solicitor that it was not the normal practice of the Registrar to appear in proceedings in which the issue was a dispute between two parties as to proprietorship of a trade mark. It was held that the Registrar's appearance was necessary as the Registrar's evidence was crucial in determining who made the application to change the address and assign the trade marks to the respondent.

[32] In Australia, s. 22(5) of the Australian Trade Marks Act, 1955 provides that in rectification proceedings, a notice of the application must be given to the Registrar who may appear and be heard and must appear if so directed by the court. There is no statutory requirement for the Registrar to be made a party to the proceedings. The High Court of Australia in the case of *The Shell Company of Australia Limited v. Rohm & Haas Company & Anor* [1949] 78 CLR 601 unanimously held that the Registrar should not be made a party to an application for rectification but notice of such application should be given to him under s. 71(3) of the Australian Trade Marks Act, 1955.

[33] In India, in interpreting s. 112 of the Indian Trade Marks Act, 1958 (which is *in pari materia* with our s. 62(1) of the Act), the Indian High Court in *Chandra Bhan Agarwal & Anor v. Arjundas Agarwal & Others* AIR [1979] Calcutta 280, *inter alia* stated that the Registrar had the right to appear and

be heard in any legal proceeding before the High Court in which the relief sought for included alteration or rectification of the Register. The Indian High Court went on to say that it was however not essential that the Registrar should be made a party to the proceedings and it would be sufficient compliance with the section if he was given the requisite notice and opportunity to appear before the court and present his case if so advised.

[34] In this First Appeal although the Court of Appeal agreed with the High Court on deception and that the defendants' mark was confusingly similar to the plaintiffs' mark, it withheld sanctioning the expungement of the offending mark. It is our judgment that the Court of Appeal came to this erroneous finding due to an over-reliance on the decision in the case of *Phantom Trade Mark* case [1978] RPC 245. The Court of Appeal had misconstrued that decision and applied it more widely than it warranted. That decision was confined to its facts and not intended to lay down any general proposition with regard to the role of the Registrar in expungement proceedings.

[35] It is also noted on its facts that the case of *Phantom Trade Mark* was concerned with the previous assignment of a registered trade mark. The law in England had changed with regard to assignment of associated marks by the time the current dispute arose. Under the previous law, there was no statutory provision governing assignment of associated marks, and everything depended on the Registrar's practice. Thus Goff LJ observed at p. 249 of the case as follows:

> In the old Act of 1905 there was no provision enabling the Registrar to dissolve association of associated marks, and, therefore, no machinery by which, in a proper case, the assignment of one of a number of associated trade mark could be authorized. It was, therefore, as I understand it, the practice of the Registrar – as I say, in a proper case – to allow such an assignment to be registered and to regularize the position by treating the continuation of the association between the assigned mark and the other marks which had formerly been in the group as an entry wrongly continuing to be upon the register, and he then rectified the register by dissolving the association.

[36] We are of the view it was in that context that Goff LJ made his conclusion in the *Phantom Trade Mark*'s case about reliance on the practice of the Registrar which the Court of Appeal had erroneously construed as a statement of general principle. The said passage from the judgment of Goff LJ is reproduced herein for convenience:

> In the present case I would have thought that the reasons advanced by Colt for exercising that discretion in favour of allowing the entry to stand, are such that if it were necessary we ought so to exercise our discretion. He relied first upon the good faith of Colt; their genuine interest in the mark; that the use of the mark has continued to this day; that the parties have to rely upon the practice of the Registrar, which Colt did; that there

> was no evidence that there was anybody deceived or likely so to be; that it was not in the public interest to rectify the Register; and Chrysler had now completely lost interest in the whole matter. For these reasons, had I reached the conclusion that the entry was bad, for my part I would in the exercise of discretion, nevertheless allow it to stand.

[37] It could be seen from the above excerpt that the practice of the Registrar in the exercise of the discretion by the court turned on the peculiar facts of the case where under the previous Act relied on by the defendant there was no provision for registration of associated marks but depended wholly on the practice of the Registrar. In our view this became a relevant factor for the exercise of Goff LJ's discretion on the facts of that case.

[38] We also noted that one of the grounds relied on by the Court of Appeal to suggest the wrongful exercise of discretion by the High Court was the reliance on s. 40(1)(f) of the Act. The Court of Appeal disagreed with the previous decision of the Court of Appeal in *Sinma Medical Products (M) Sdn Bhd v. Yomeishu Seizo Co Ltd & Ors* [2004] 3 CLJ 815 on the application of the said section and instead held it as a further ground on which the Registrar should be heard. Section 40(1)(f) of the Act provides as follows:

> Notwithstanding anything contained in this Act, the following acts do not constitute an infringement of a trade mark:
>
> ...
>
> (f) the use of a trade mark, which is one of two or more registered trade marks which are substantially identical, **in exercise of the right to the use of that trade mark given by registration as provided by this Act**.
>
> (emphasis added)

[39] Although s. 40(1) of the Act begins with the words "notwithstanding ...", it is a general principle that a *non obstante* clause cannot go outside the limits of the Act itself. We are in agreement with the contention of the plaintiff that *non obstante* clause is subject to the limitations contained in the section and cannot be read as excluding the whole Act and standing by itself. The principle was stated by the Indian Supreme Court in *AG Varadarajulu v. State of Tamil Nadu* AIR 1998 SC 1388 at [16] as follows:

> *It is well settled that while dealing with a non-obstante clause under which the legislature wants to give overriding effect to a section, the Court must try to find out the extent to which the legislature had intended to give one provision overriding effect over another provision*. Such intention of the legislature in this behalf is to be gathered from the enacting part of the section. In *Aswini Kumar v. Arbinda Bose*, AIR 1952 SC 369, Patanjali Sastri J. observed: 'The enacting part of a stature must, where it is clear, be taken to control the non-obstante clause where both cannot be read harmoniously.' In *Madhav Rao Scindia v. Union of India* [1971] 1 SCC 85 (at 139): (AIR 1971 SC 530 Hidayatullah, CJ observed that the non-obstante clause is no doubt a very

A potent clause intended to exclude every consideration arising from other provisions of the same statute or other statute but for that reason alone we must determine the scope of that provision strictly. *When the section containing the said clause does not refer to any particular provisions which it intends to override but refers to the provisions of the statute generally, it is not permissible to hold that it excludes the whole Act and stands all alone by itself. A search has, therefore, to be made with a view to determining which provisions answers the description and which does not*.

B

(emphasis added).

[40] Accordingly, it is our view that s. 40(1)(f) of the Act only applies to a right to use a mark that has been duly registered under the Act. It is C therefore tied to s. 35(1) of the Act which governs the rights given by registration. It reads:

(1) Subject to the provisions of this Act, the registration of a person ... as registered proprietor of a trade mark (other than a certification trade mark) in respect of any goods or services shall, **if valid**, give or be deemed to D have been given to that person the exclusive right to the use of the trade mark in relation to those goods or services subject to any conditions, amendments, modifications or limitations entered in the Register. (emphasis added)

[41] It follows that the defence under s. 40(1)(f) of the Act must necessarily E be subject to s. 35(1) of the Act and other provisions therein. The defendants could use the registered trade mark only if it was validly registered. If it were otherwise, s. 40(1)(f) of the Act could override such registration of marks obtained by fraud under s. 37(a) of the Act or a trade mark obtained which was contrary to law under s. 14(1)(a) of the Act and thus provide a valid F defence thereof. In our view this cannot be the intention of the Legislature.

[42] On the correct interpretation and application of s. 40(1)(f) of the Act, the Court of Appeal in *Sinma Medical Products v. Yomeishu (supra)* had rightly held that s. 40(1)(f) of the Act did not afford a defence in relation to marks which were wrongfully entered on the Register. His Lordship Nik Hashim, G JCA (as he then was) on this point at pp. 369-370 had this to say:

As the relief of rectification was rightfully ordered by the learned judge, the respondents are entitled as of right to the injunction as the appellant's trade mark ought never to have been on the Register. Since the appellant's trade mark was wrongly entered on the Register, section H 40(1)(f) therefore affords no defence to the appellant.

[43] Learned author of *Kerly's Law of Trade Marks and Trade Names*, 12th edn. at p. 303 states that under s. 4(4) of the English Trade Marks Act, 1938 (which is substantially similar with s. 40(1)(f) of the Act) only a valid registration gives rights under s. 4(4). The subsection states "the right to the I use of the defendant's mark given by registration". But it refers back to s. 4(1)

of the English Trade Marks Act, 1938 which gives rights only to a valid mark. The learned author goes on to observe that if the defendant's registration can be shown to be invalid and thus expunged it will not protect him in the future. Accordingly, if a defendant pleads a registered mark in defence, the plaintiff should apply for rectification of the Register by removing or limiting the defendant's registration.

[44] In *The Eastman Photographic Materials Company, Ltd & Anor v. The John Griffiths Cycle Corporation, Ltd and the Kodak Cycle Company, Ltd* (1898) 5 RPC 105, the plaintiffs alleged that the defendant had infringed the plaintiffs' trade marks by using the defendant's registered trade mark. The plaintiffs also applied to expunge the defendant's trade mark. His Lordship Romer J expunged the defendant's trade mark as being calculated to deceive.

[45] Useful reference may also be made to the case of *Berlei (UK) Ltd v. Bali Brassiere Company Incorporated* [1970] RPC 469 at p. 478 wherein Megarry J held that s. 4(4) of the English Trade Marks Act, 1938 must be read together with s. 4(1). Therefore, the defence under s. 4(4) is afforded only to a proprietor of a trade mark registration which is valid. In that case, Megarry J said that since one of the defendant's registrations had been expunged by the House of Lords in an earlier proceeding, the defendant could not claim the protection of that particular registration.

Conclusion

[46] For the reasons abovestated we would answer in the negative the first question posed by the defendants in the first appeal. As for the second question posed by the plaintiffs in the second appeal we also answer it in the negative. We hereby set aside for the same foregoing reasons the order of the Court of Appeal that the defendants' product was registrable as a trade mark under s. 10 of the Act. Accordingly the appeal by the plaintiffs (the second appeal) is allowed with costs. The appeal by the defendants (the first appeal) is dismissed with costs. Deposits to be refunded to the respective parties.